



20 DECEMBER 2018
RAKON LIMITED (NZX: RAK)

FY2019 EARNINGS GUIDANCE

Rakon Limited ('Rakon') expects to report Underlying EBITDA¹ of between NZ\$12.0m and NZ\$14.0m for the 12 months to 31 March 2019 ('FY2019'). This compares to Underlying EBITDA of NZ\$5.9m reported for the six months to 30 September 2018 and NZ\$12.1m for the 12 months to 31 March 2018.

The second half performance continues on track with strong demand in the Telecommunications market segment for network equipment and infrastructure requirements to support the roll-out of 4.5G/5G. In the Defence market, US demand is expected to drive further growth.

A key focus of the business for the remainder of FY2019 continues to be the expansion of capacity at Rakon India to meet customer demand.

Brent Robinson
Chief Executive Officer

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¹Underlying EBITDA is a non-GAAP measure that has not been presented in accordance with GAAP. The Directors and management use Underlying EBITDA in order to understand the underlying operating performance of the Group and each operating segment, before the adjustment of specific cash and non-cash items and before cash impacts relating to the capital structure and tax position. Underlying EBITDA is considered to be the closest measure of how each operating segment within the Group is performing. Further information is available in Note B1 to the Financial Statements in the 2018 Annual Report.

About Rakon

Rakon is a global high technology company that designs and manufactures world-leading frequency control and timing solutions. Its products enable connectivity for a wide range of applications. The company's three core markets are Telecommunications, Global Positioning and Space & Defence. Rakon has a global footprint including four manufacturing plants, five research and development centres and 16 customer support locations. Rakon is proud of its New Zealand heritage; it was founded in Auckland in 1967. It is a public company listed on the New Zealand stock exchange, NZSX, ticker code RAK.